

LaGrange County, Indiana
2007 Pay 2008 Budget Order

An analysis of the data with the 2007 Pay 2008 Budget Order for LaGrange County shows that the budgets, levies and tax rates to be approved are in compliance with Indiana statutes.

LaGrange County has four cross-county units. LaGrange County is the major county unit for Lakeland School Corporation and Wolcottville Town, both of which cross into Noble County. LaGrange is the minor county for Prairie Heights Community School Corp, which crosses in from Steuben County. LaGrange is also the minor county for the N.E. Indiana Solid Waste District, which originates in Steuben County.

LaGrange County has no conservancy districts.

Changes in Local Tax Levies

Tax levy increases are made up of routine increases in controlled levies, increases in tax rate controlled levies and debt service levies. Controlled levies increase based on an annual growth factor or excess levy appeals. Tax rate controlled levies increase based on increases in assessed value applied to a specific tax rate (tax rates are adjusted downward to eliminate the effect of reassessment or trending).

The total net increase in tax levy for Pay 2008 on a county-wide basis was approximately \$1.8 million or 5.22%. Following are the levy changes that were greater than \$1 million or a 10% change over the previous year levy. The largest total dollar increases in levies were due to the Westview School Corporation (\$926,429) and the Prairie Heights Community School Corp. (\$304,356).

LaGrange County

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$3,279,370	\$2,986,778	-\$292,592	-8.92%
Reassessment	74,578	376,908	302,330	405.39%

LaGrange County Welfare

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
Welfare - Family and Children	\$1,707,012	1,807,884	\$100,832	5.91%

Total County levy increased by \$232,917 or 3.43%.

Eden Township

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
Fire	\$685	\$18,182	\$17,497	2,554.3%

Total Township levy increased \$20,450 or 45.52%. Township received an excess levy appeal for fire protection in 2008 for \$17,237.

Springfield Township

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
Fire	5,233	8,219	2,986	57.06%

Total Township levy increase of \$3,428 or 20.86%. Township received an excess levy appeal for fire protection in 2008 for \$2,800.

Prairie Heights Community School Corporation

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$1,485,201	\$1,647,209	\$162,008	10.91%
Capital Projects	550,053	650,607	100,554	18.28%
Bus Replacement	116,458	84,010	-32,448	-27.86%

Total School levy increase of \$304,356 or 9.31%. Bus Replacement levy reduced for pension neutralization. Capital projects levied up to max rate for 2008.

Westview School Corporation

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$6,539,745	\$6,984,368	\$444,623	6.80%
Capital Projects	328,332	439,688	111,356	33.92%

Total School levy increase of \$926,429 or 7.84%. Capital projects levied up to max rate for 2008.

No units in the County exceeded the working maximum levy. All units in the County levied up to or near their working maximum levy.

No units in the County exceeded the normal statutory growth rate for controlled fund levies.

Changes in Real Property Gross Assessed Values

Real Property Gross Assessed Values increases by property class are as follows.

<u>Class</u>	<u>% Increase</u>
Agriculture	10.24%
Industrial	8.13%
Commercial	6.92%
Residential	1.77%
Exempt	-60.69%
Utility	-10.19%

Changes in the proportion of Gross Assessed Value by Class can create a burden shift from one class to another. The proportion (mix) of values of real property by class (this can represent the relative tax burden by class, except that it does not include the impact of deductions or credits).

<u>Class</u>	<u>2007 Ratio</u>	<u>2008 Ratio</u>
Agriculture	26.32%	28.51%
Industrial	5.66%	6.02%
Commercial	6.20%	6.52%
Residential	56.19%	56.74%
Exempt	5.54%	2.14%
Utility	0.08%	0.07%

As can be seen from the analysis, a shift from exempt property to agricultural, industrial, commercial, and residential property occurred. This shift was approximately 3.40%.

Change in Net Tax Rates

Changes in net tax rate by district were as follows.

<u>District</u>	<u>Change in NAV</u>	<u>Change in Levy</u>	<u>Change in Gross Tax Rate</u>	<u>Change in Business Personal Property Net Tax Rate</u>	<u>Change in Real Estate and Other Personal Property Net Tax Rate</u>	<u>Change in Homestead Net Tax Rate</u>
BLOOMFIELD TWP	4.49%	1.94%	-2.44%	-2.25%	-1.48%	-14.65%
LAGRANGE TOWN	-5.32%	-4.05%	1.33%	1.96%	3.49%	-15.22%
CLAY TOWNSHIP-WEST	6.65%	7.46%	0.76%	2.58%	4.09%	-7.15%
CLAY TOWNSHIP-EAST	8.60%	5.76%	-2.61%	-2.46%	-1.68%	-14.78%
CLEARSPRING TOWNSHIP	6.52%	7.43%	0.86%	2.73%	4.23%	-6.99%
TOPEKA TOWN-CLEARSPRING TOWNSH	-8.96%	-5.28%	4.05%	5.41%	7.69%	-9.35%
EDEN TOWNSHIP	7.32%	8.85%	1.42%	3.44%	5.01%	-6.02%
TOPEKA TOWN-EDEN TOWNSHIP	2.87%	7.04%	4.05%	5.41%	7.69%	-9.33%
GREENFIELD TOWNSHIP	4.91%	2.32%	-2.47%	-2.29%	-1.51%	-14.92%
JOHNSON TOWNSHIP	7.67%	4.85%	-2.62%	-2.47%	-1.68%	-14.95%
WOLCOTTVILLE TOWN	-1.57%	-2.63%	-1.08%	-0.76%	0.83%	-18.13%
LIMA TOWNSHIP	5.57%	2.84%	-2.59%	-2.43%	-1.64%	-14.91%
MILFORD TOWNSHIP	7.69%	8.63%	0.87%	1.19%	2.62%	-10.44%
NEWBURY TOWNSHIP	3.87%	4.68%	0.78%	2.61%	4.04%	-6.93%
SHIPSHEWANA TOWN	8.39%	6.33%	-1.90%	-1.23%	0.20%	-11.32%
SPRINGFIELD TOWNSHIP	4.40%	5.70%	1.25%	1.65%	3.15%	-9.97%
VAN BUREN TOWNSHIP	8.08%	8.99%	0.84%	2.71%	4.21%	-7.01%
LAGRANGE-CLAY	87.65%	89.97%	1.24%	1.86%	3.38%	-15.28%
Average	5.78%	5.22%	0.41%	1.37%	2.83%	-11.53%

Downward pressure on tax rates came from increases in Assessed Value due to trending and the increased Homestead Credit rate. Upward pressure on tax rates came from increases in tax levies, especially debt levies that don't benefit from PTRC/Homestead credits.

The estimated reduction in net homestead tax bills for LaGrange County is 34.91%.

Assessment Status

The DLGF has prepared an analysis of assessed valuation change by property class based on a review of parcel data. The results of this analysis are summarized in the table below:

Property Class	Percent of Parcels with Identified Assessed Valuation Change					
	<u>Decrease</u>	<u>No Change</u>	<u>0 – 10% Increase</u>	<u>10 – 30% Increase</u>	<u>30 – 100% Increase</u>	<u>More Than Doubled</u>
Commercial	8.7%	26.3%	46.9%	17.7%	0.5%	0.0%
Industrial	22.7%	22.3%	26.2%	23.9%	4.9%	0.0%
Residential	8.3%	38.5%	46.5%	3.8%	2.6%	0.3%
Overall	6.6%	29.5%	42.2%	16.3%	5.2%	0.2%

TIF Neutralization Worksheets

The County has several Tax Increment Areas. A Tax Increment Financing (TIF) Neutralization Worksheet must be completed for each TIF District in order to calculate tax increment generated by real property growth rather than increases in assessed valuation due to reassessment or trending. The TIF Neutralization Worksheets were reviewed for both numerical accuracy and for logical analysis and completeness.